



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 370** HLS 09RS 1123
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

| | | |
|--------------------------------------------------------------|---------|---------------------------------|
| Date: April 29, 2009 | 1:44 PM | Author: LAFONTA |
| Dept./Agy.: Department of Insurance | | |
| Subject: Fees - Medical Necessity Review Organization | | Analyst: Travis McIlwain |

INSURANCE COMMISSIONER OR -\$19,750 SG RV See Note Page 1 of 1
Provides for fees for Medical Necessity Review Organization licenses and filing of annual reports

Current law provides for a renewal fee for every 2 years for Medical Necessity Review Organizations (MNRO) in the amount of \$1,500.

Proposed legislation provides for the renewal fee to be \$500 annually.

| EXPENDITURES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 -YEAR TOTAL |
|----------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | (\$19,750) | (\$19,750) | (\$19,750) | (\$19,750) | (\$19,750) | (\$98,750) |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | (\$19,750) | (\$19,750) | (\$19,750) | (\$19,750) | (\$19,750) | (\$98,750) |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This bill is anticipated to reduce fees and self-generated revenues by \$19,750. According to the Department of Insurance (DOI), the projected number of MNRO renewals is 79. See illustration below.

| | |
|-------------------------------------|---------------------------|
| Current Law: | |
| Current renewal fee (every 2 years) | \$1,500 |
| Projected number of MNRO renewals | 79 |
| Projected revenue | \$118,500 (every 2 years) |
| Projected revenue every year | \$59,250 |

| | |
|-----------------------------------|----------|
| Proposed Law: | |
| Proposed renewal fee | \$500 |
| Projected number of MNRO renewals | 79 |
| Projected annual revenue | \$39,500 |

The difference between the proposed law, \$39,500, and current law, \$59,250, is the projected fee revenue loss of approximately \$19,750.

This bill does not impact the initial license fee. This bill merely moves the \$1,500 initial license fee from R.S. 22:1125 to R.S. 22:821. This does change the renewal fee from \$1,500 every 2 years to \$500 every year.

| | | | |
|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------|---------------------------------------|
| Senate | Dual Referral Rules | House | |
| <input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease | Robert E. Hosse LFO Staff Director |